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The Deputy Director of Central Intelligence

Washington, D. C. 20505

25X1

3 October 1985

MEMORANDUM FOR: NIO/Africa

FROM: DCI

SUBJECT: South African Situation

Attached for your information is a report prepared by Ambassador Robert B. Keating.

William J. Casey

Attachment:

Letter dated 27 September 1985
w/attached memo to VADM Poindexter
and Phillip H. Ringdahl

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25X1

Exempt
95- 3724

27 September 1985

The Honorable William J. Casey
Director of Central Intelligence
Washington, D.C. 20505

Dear Bill:

Enclosed is a copy of my report. John Helgerson
[redacted] were of immense help to me.

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I'm leaving tomorrow for Madagascar and may well be back in three months' time. The good news reached me this morning and you know how grateful I am to you for opening up such a possibility for me.

Very best personal wishes,



Robert B. Keating

Enclosure

"The South African Situation"

(SECRET [redacted])

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26 September 1985

MEMORANDUM FOR: Vice Admiral John M. Poindexter, USN
Phillip H. Ringdahl

85-3724/1

SUBJECT: The South African Situation

My impressions of the South African situation may be summed up as follows:

- 1) The problems of South Africa will persist for a long time, they will get worse over the next 12 months, and US domestic concerns over apartheid will continue to mount (the situation will be exacerbated by the enormous hype and pressures of the media).
- 2) Over the past 2 1/2 years, the formulation and implementation of US policy for South Africa has been almost exclusively the domain of just two principal State Department officials. For many senior people in the bureaucracy and on the Hill, there is now the strong feeling that we are mired down, that we do not know where we are going, or where we are being led in terms of urgent decisions which must be taken. To counteract this impression, there is an immediate need to enlarge the number of players in a structured way for detailed examination of how we should spend our limited political and economic influence in South Africa over the next three months, six months, year (e.g., inasmuch as the time frame is critical in looking at South African developments, is our time line the remaining 2 1/2 years of the Reagan Administration, a longer term, or a combination of both?).
- 3) The Administration has become defensive about the label of "Constructive Engagement" and we should minimize discussions or attempts to defend Constructive Engagement per se in public fora (i.e., the acute need for a defensible policy for our ambassadors and others in their public appearances throughout the United States).
- 4) The positive reaction on the Hill to the President having imposed certain sanctions on South Africa indicated that we need not shy away from positive steps if they serve a good and larger purpose (i.e., a little activism has given us more time to prepare a better strategy for dealing with South African problems and issues).
- 5) With respect to the South African "credit crunch", the Administration should place itself in a position to take credit for what's going to happen anyway. The bankers are not going to write off South Africa. They will wait for the government's decision on its payments moratorium, and then there will be a roll-over (in the meantime, the bankers will feign agony). We should exploit the inevitable by making it look as if we were responsible for the outcome.
- 6) We must make every effort to establish more active links with South African and American business leaders who are actively working for reform and change in South Africa. In this respect, we must ensure that prominent American businessmen are members of the proposed South African Advisory Committee.

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